

116TH CONGRESS  
1ST SESSION

# H. R. 1510

To amend the Public Health Service Act to provide for a Patient and State  
Stability Fund.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2019

Mr. BURGESS introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Public Health Service Act to provide for  
a Patient and State Stability Fund.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Premium Relief Act  
5 of 2019”.

6 **SEC. 2. PATIENT AND STATE STABILITY.**

7 The Public Health Service Act (42 U.S.C. 201 et  
8 seq.) is amended by adding at the end the following new  
9 title:

1       **“TITLE XXXIV—PATIENT AND**  
2               **STATE STABILITY FUND**

3   **“SEC. 3401. ESTABLISHMENT OF PROGRAM.**

4       “There is hereby established the ‘Patient and State  
5   Stability Fund’ to be administered by the Secretary, act-  
6   ing through the Administrator of the Centers for Medicare  
7   & Medicaid Services (in this title referred to as the ‘Ad-  
8   ministrator’), to provide health benefits coverage funding,  
9   in accordance with this title, to the 50 States and the Dis-  
10   trict of Columbia (each referred to in this section as a  
11   ‘State’) during the period, subject to section 3404(c), be-  
12   ginning on January 1, 2020, and ending on December 31,  
13   2022, for the purposes described in section 3402.

14   **“SEC. 3402. USE OF FUNDS.**

15       “A State may use the funds allocated to the State  
16   under this title for any of the following purposes:

17               “(1) Helping, through the provision of financial  
18       assistance, high-risk individuals who do not have ac-  
19       cess to health insurance coverage offered through an  
20       employer enroll in health insurance coverage in the  
21       individual market in the State, as such market is de-  
22       fined by the State (whether through the establish-  
23       ment of a new mechanism or maintenance of an ex-  
24       isting mechanism for such purpose).

1           “(2) Providing incentives to appropriate entities  
2           to enter into arrangements with the State to help  
3           stabilize premiums for health insurance coverage in  
4           the individual market, as such markets are defined  
5           by the State.

6           “(3) Reducing the cost for providing health in-  
7           surance coverage in the individual market and small  
8           group market, as such markets are defined by the  
9           State, to individuals who have, or are projected to  
10          have, a high rate of utilization of health services (as  
11          measured by cost) and to individuals who have high  
12          costs of health insurance coverage due to the low  
13          density population of the State in which they reside.

14          “(4) Promoting participation in the individual  
15          market and small group market in the State and in-  
16          creasing health insurance options available through  
17          such market.

18          “(5) Promoting access to preventive services;  
19          dental care services (whether preventive or medically  
20          necessary); vision care services (whether preventive  
21          or medically necessary); or any combination of such  
22          services.

23          “(6) Maternity coverage and newborn care.

1 “(7) Prevention, treatment, or recovery support  
 2 services for individuals with mental or substance use  
 3 disorders, focused on either or both of the following:

4 “(A) Direct inpatient or outpatient clinical  
 5 care for treatment of addiction and mental ill-  
 6 ness.

7 “(B) Early identification and intervention  
 8 for children and young adults with serious men-  
 9 tal illness.

10 “(8) Providing payments, directly or indirectly,  
 11 to health care providers for the provision of such  
 12 health care services as are specified by the Adminis-  
 13 trator.

14 “(9) Providing assistance to reduce out-of-pock-  
 15 et costs, such as copayments, coinsurance, pre-  
 16 miums, and deductibles, of individuals enrolled in  
 17 health insurance coverage in the State.

18 **“SEC. 3403. STATE ELIGIBILITY AND APPROVAL; DEFAULT**  
 19 **SAFEGUARD.**

20 “(a) ENCOURAGING STATE OPTIONS FOR ALLOCA-  
 21 TIONS.—

22 “(1) IN GENERAL.—To be eligible for an alloca-  
 23 tion of funds under this title for a year during the  
 24 period described in section 3401 for use for one or  
 25 more purposes described in section 3402, a State

1 shall submit to the Administrator an application at  
2 such time (but not later than March 31 of the pre-  
3 vious year) and in such form and manner as speci-  
4 fied by the Administrator and containing—

5 “(A) a description of how the funds will be  
6 used for such purposes; and

7 “(B) such other information as the Admin-  
8 istrator may require.

9 “(2) AUTOMATIC APPROVAL.—An application so  
10 submitted is approved unless the Administrator noti-  
11 fies the State submitting the application, not later  
12 than 60 days after the date of the submission of  
13 such application, that the application has been de-  
14 nied for not being in compliance with any require-  
15 ment of this title and of the reason for such denial.

16 “(3) ONE-TIME APPLICATION.—If an applica-  
17 tion of a State is approved for a year, with respect  
18 to a purpose described in section 3402, such applica-  
19 tion shall be treated as approved, with respect to  
20 such purpose, for each subsequent year through  
21 2022.

22 “(b) DEFAULT FEDERAL SAFEGUARD.—

23 “(1) IN GENERAL.—In the case of a State that  
24 does not have in effect an approved application  
25 under this section for 2020, 2021, or 2022, the Ad-

1        administrator, in consultation with the State insurance  
2        commissioner, shall use the allocation that would  
3        otherwise be provided to the State under this title  
4        for such year, in accordance with paragraph (2), for  
5        such State.

6            “(2) REQUIRED USE FOR MARKET STABILIZA-  
7        TION PAYMENTS TO ISSUERS.—Subject to section  
8        3404(a), an allocation for a State made pursuant to  
9        paragraph (1) for a year shall be used to carry out  
10       the purpose described in section 3402(2) in such  
11       State by providing payments to appropriate entities  
12       described in such section with respect to claims that  
13       exceed \$50,000 (or, with respect to allocations made  
14       under this title for 2021 or a subsequent year dur-  
15       ing the period specified in section 3401, such dollar  
16       amount specified by the Administrator), but do not  
17       exceed \$350,000 (or, with respect to allocations  
18       made under this title for 2021 or a subsequent year  
19       during such period, such dollar amount specified by  
20       the Administrator), in an amount equal to 75 per-  
21       cent (or, with respect to allocations made under this  
22       title for 2021 or a subsequent year during such pe-  
23       riod, such percentage specified by the Administrator)  
24       of the amount of such claims.

1 **“SEC. 3404. ALLOCATIONS.**

2 “(a) APPROPRIATION.—For the purpose of providing  
3 allocations for States (including pursuant to section  
4 3403(b)) under this title there is appropriated, out of any  
5 money in the Treasury not otherwise appropriated,  
6 \$2,500,000,000 for each of years 2020 through 2022.

7 “(b) ALLOCATIONS.—

8 “(1) PAYMENT.—From amounts appropriated  
9 under subsection (a) for a year (beginning with  
10 2020 and ending with 2022), the Administrator  
11 shall, with respect to a State and not later than  
12 January 1 of such year, allocate for such State (in-  
13 cluding pursuant to section 3403(b)) the amount de-  
14 termined for such State and year under paragraph  
15 (2).

16 “(2) ALLOCATION AMOUNT DETERMINA-  
17 TIONS.—For purposes of paragraph (1), the amount  
18 determined under this paragraph for a year for a  
19 State is an amount determined in accordance with  
20 an allocation methodology specified by the Adminis-  
21 trator.

22 “(c) ANNUAL DISTRIBUTION OF PREVIOUS YEAR’S  
23 REMAINING FUNDS.—In carrying out subsection (b), the  
24 Administrator shall, with respect to a year (beginning with  
25 2021 and ending with 2023), not later than March 31 of  
26 such year—

1           “(1) determine the amount of funds, if any,  
2           from the amounts appropriated under subsection (a)  
3           for the previous year but not allocated for such pre-  
4           vious year; and

5           “(2) if the Administrator determines that any  
6           funds were not so allocated for such previous year,  
7           allocate such remaining funds, in accordance with  
8           the allocation methodology specified pursuant to  
9           subsection (b)(2)—

10           “(A) to States that have submitted an ap-  
11           plication approved under section 3403(a) for  
12           such previous year for any purpose for which  
13           such an application was approved; and

14           “(B) for States for which allocations were  
15           made pursuant to section 3403(b) for such pre-  
16           vious year, to be used by the Administrator for  
17           such States, to carry out the purpose described  
18           in section 3402(2) in such State by providing  
19           payments to appropriate entities described in  
20           such section 3402(2) with respect to claims that  
21           exceed \$1,000,000,

22           with, respect to a year before 2023, any remaining  
23           funds being made available for allocations to States  
24           for the subsequent year.



1       “(d) AVAILABILITY.—Amounts appropriated under  
 2 subsection (a) for a year and allocated to States in accord-  
 3 ance with this section shall remain available for expendi-  
 4 ture through December 31, 2023.

5       “(e) LIMITATION.—Amounts appropriated under  
 6 subsection (a) for a year (beginning with 2020 and ending  
 7 with 2022) are subject to the requirements and limitations  
 8 under sections 506 and 507 of division H of Public Law  
 9 115–31 in the same manner and to the same extent as  
 10 if such amounts for such year were appropriated under  
 11 such division.”.

12 **SEC. 3. ALIGNING QUALIFIED HEALTH PLAN GRACE PE-**  
 13 **RIOD REQUIREMENTS WITH STATE LAW**  
 14 **GRACE PERIOD REQUIREMENTS.**

15       Section 1412(c)(2) of the Patient Protection and Af-  
 16 fordable Care Act (42 U.S.C. 18082(c)(2)) is amended—

17           (1) in subparagraph (B)(iv)(II), by striking “a  
 18       3-month grace period” and inserting “a grace period  
 19       specified in subparagraph (C)”; and

20           (2) by adding at the end the following new sub-  
 21       paragraph:

22           “(C) GRACE PERIOD SPECIFIED.—For pur-  
 23       poses of subparagraph (B)(iv)(II), the grace pe-  
 24       riod specified in this subparagraph is—

1 “(i) for plan years beginning before  
2 January 1, 2020, a 3-month grace period;  
3 and

4 “(ii) for plan years beginning during  
5 2020 or a subsequent year, such grace pe-  
6 riod for non-payment of premiums before  
7 discontinuing coverage as is applicable  
8 under the State law of the State in which  
9 the Exchange operates to health insurance  
10 coverage offered in the individual market  
11 (or, in the case such a State law is not in  
12 place for the State involved, a 1-month  
13 grace period).”.

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